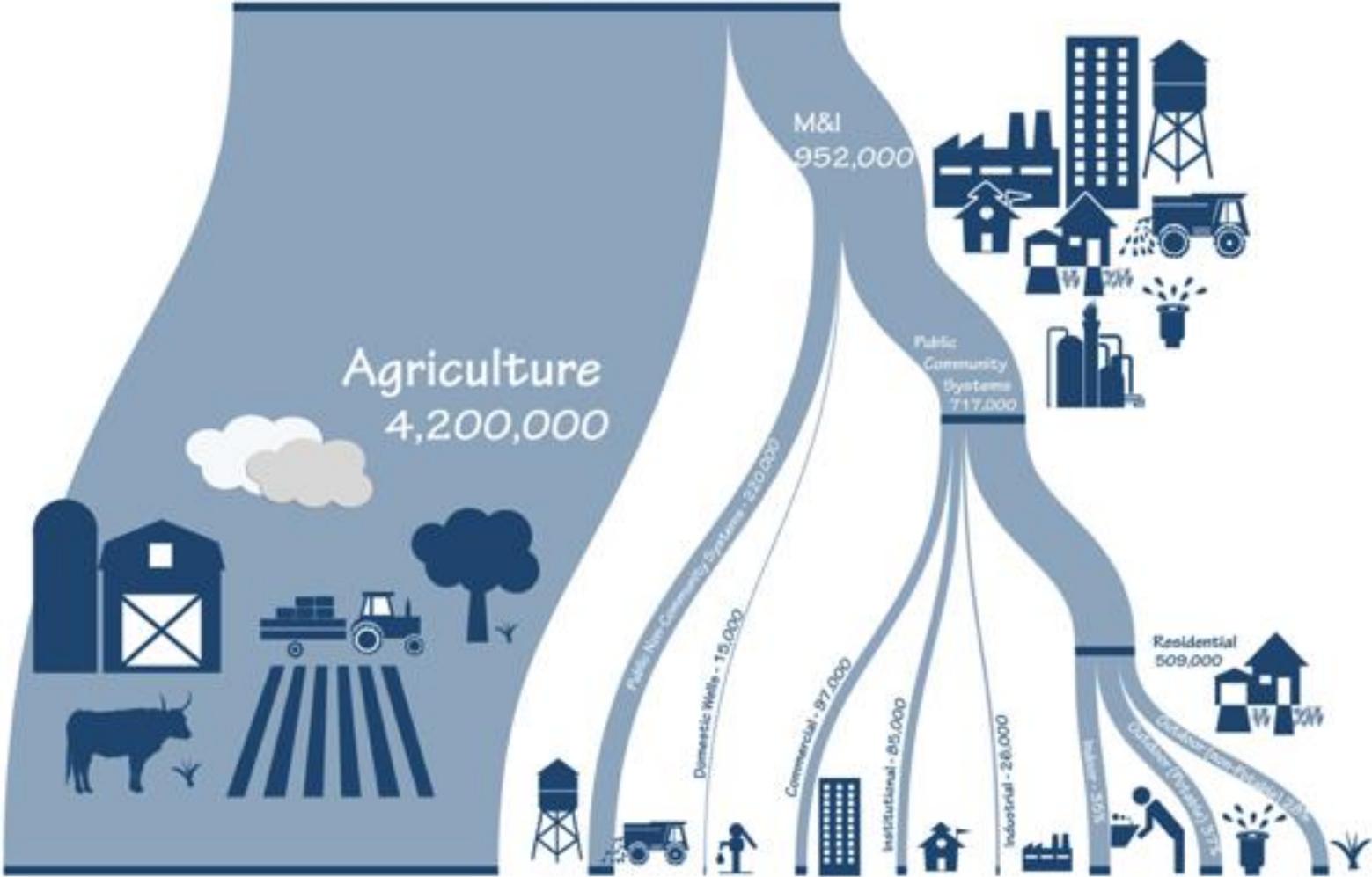


Total Water Use in Utah

Distribution of Diverted Water

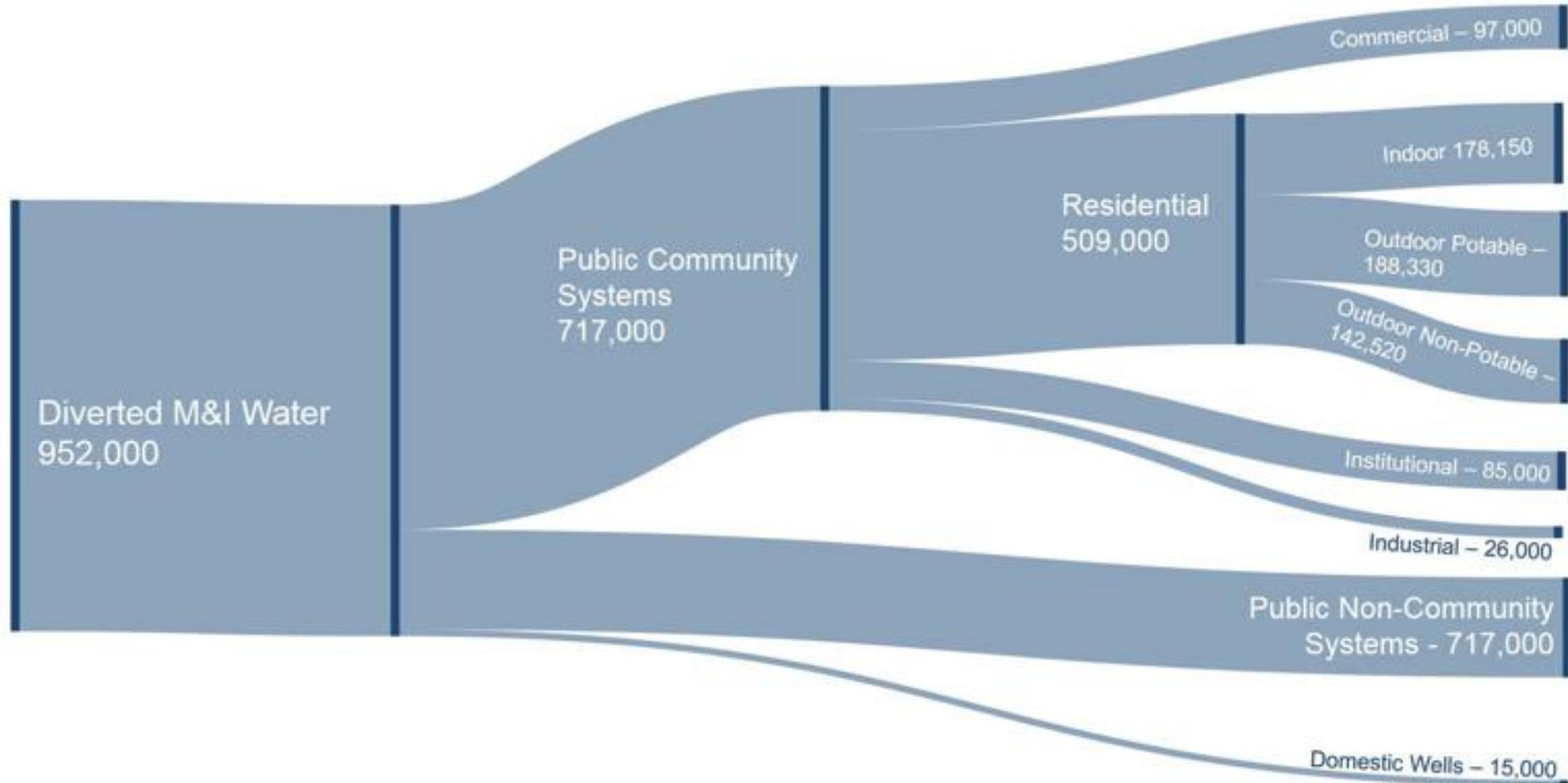
in acre feet per year

An acre foot is equivalent to about 325,000 gallons



Municipal and Industrial (M&I) Water Use in Utah

(Diversions in acre feet per year)



Policy Design Considerations

Fundamental Question - Taxes v. user fees to pay for water

- User fee can provide more design flexibility than a tax
 - Could address affordability concerns by ensuring basic level of water use not subject to user fee
 - Flat fee (\$x per connection) v. volume-based (\$0.xx per 1,000 gallons)
 - Type of water use to include or exclude
 - All water v. M&I water v. exempting some M&I water (like basic residential use)
 - Wholesale or retail level
- User fee encourages more efficient water use
 - Sends price signals - an effective conservation strategy
 - Aligns cost of water with use of water
 - Allows people to reduce their bill by choosing to use less water